

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
[Georgetown, South Carolina]

HEARING #15-11497 NOVEMBER 12, 2015 6:00 P.M.
DOCKET NO. 2015-199-WS:

CAROLINA WATER SERVICE, INC. – Application for Adjustment of Rates
and Charges and Modifications to Certain Terms and Conditions for
the Provision of Water and Sewer Service

TRANSCRIPT OF TESTIMONY
AND PROCEEDINGS

VOLUME 4 OF 7

HEARING BEFORE: Nikiya M. ‘Nikki’ HALL, *Chairman*; Swain E.
WHITFIELD, *Vice Chairman*; and COMMISSIONERS John E.
‘Butch’ HOWARD, Elliott F. ELAM, JR., Comer H. ‘Randy’
RANDALL, and G. O’Neal HAMILTON

ADVISOR TO COMMISSION: B. Randall Dong, Esq.
LEGAL STAFF

STAFF: Philip Riley and William O. Richardson, Advisory Staff; Jo
Elizabeth M. Wheat, CVR-CM/M-GNSC, Court Reporter; and Calvin Woods
and Afton Ellison, Hearing Room Assistants

APPEARANCES:

SCOTT ELLIOTT, ESQUIRE, representing CAROLINA
WATER COMPANY, INC., APPLICANT

FLORENCE P. BELSER, ESQUIRE, representing THE SOUTH
CAROLINA OFFICE OF REGULATORY STAFF

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P R O C E E D I N G S

CHAIRMAN HALL: Well, good evening, everyone. We'll call the hearing to order and I'll introduce our Commissioners. Thank you so much, for being here. We probably need security, there are so many people here. To my far right is Commissioner Elliott Elam, then Commissioner Randy Randall. To my far left is Commissioner John 'Butch' Howard; to his right is Commissioner O'Neal Hamilton; and finally, Commissioner Swain Whitfield, who is our Vice Chair.

In a second, Mr. Randall Dong, our attorney, will give us some instructions and then we'll take appearances. Mr. Dong?

MR. DONG: Okay. Thank you. So this evening, in a moment, I'm going to call the names of folks who have signed up to speak to come forward and be sworn in. I need you to be sure and give your name and address before you proceed, and then give your testimony. And after you're done, please stay at the podium because the Commissioners will have an opportunity to ask you questions. Also, the company representative and ORS will have an opportunity to ask questions.

We're going to have a timer. We're going to

1 try to limit testimony to, I believe, it's a three-
2 minute timer.

3 And with that, I think we'll take appearances.

4 Mr. Elliott, for Carolina water?

5 **MR. ELLIOTT:** Thank you. I'm Scott Elliott.
6 I represent the Applicant in this matter.

7 Ladies, we have with us here tonight, on
8 behalf of the company, Mr. Gilroy, who is available
9 to answer any questions you might have, and his
10 staff, Mr. Cartin and Mr. Plummer, are here. So
11 we're, really, here to answer your questions, if
12 you have any, after the hearing, but we appreciate
13 your coming.

14 **MS. BELSER:** Good evening. I'm Florence
15 Belser, an attorney with the Office of Regulatory
16 Staff. With me tonight is Nanette Edwards, who is
17 our deputy executive director of our agency, and
18 Ms. Dawn Hipp, who is our director of Water,
19 Wastewater, Transportation, and Consumer Services.

20 Madam Chair, if the Commission would permit
21 me, I'd like to explain a little bit about the
22 roles of the ORS and the PSC.

23 **CHAIRMAN HALL:** Go ahead.

24 **MS. BELSER:** The Public Service Commission, or
25 the PSC, as we call it, has been around for over

1 100 years. It was originally the South Carolina
2 Railroad Commission, and evolved into the Public
3 Service Commission. They have been involved in
4 public utility regulation and have done that as one
5 entity until about 2004, when the Legislature did
6 some restructuring and left the PSC as the
7 decision-maker but created a new agency called the
8 Office of Regulatory Staff, and that's who I work
9 for. That law that created ORS gave the ORS the
10 responsibility to conduct audits and inspections of
11 public utilities that are under the jurisdiction of
12 the Commission, and made ORS a party to all
13 proceedings that come before the Commission.

14 The important thing that came out was that the
15 Commission was made and the Commissioners were made
16 the decision-makers, and they are charged with
17 deciding cases in matters that are filed and
18 brought before them, such as this Application for a
19 rate increase by Carolina Water Service.

20 Importantly, the Commission was designated by that
21 law is a quasi-judicial entity, and that put them
22 under the same law as circuit court judges and
23 appellate court judges.

24 Why is that important? What does that mean?
25 What it means is they can only base their decision

1 on what comes from testimony and exhibits brought
2 before them. So if you choose to testify tonight,
3 your testimony will be sworn and will be entered
4 into the record as evidence for the Commissioners
5 to consider when they make their decision in this
6 case. What that also means is, they can't answer
7 questions. But we are here and will try to answer
8 questions, if you have any, and the company has
9 folks here that can answer questions, as well.

10 Everything tonight is taken down by Ms. Wheat,
11 who is the court reporter, and that's why we always
12 talk into the microphone so that it is recorded and
13 there is a record.

14 I ask your indulgence. We've had some cases
15 where folks get upset when the Commissioners can't
16 answer questions. However, the law prohibits them
17 from answering a question. So feel free to make
18 your statement about your experiences and your
19 understanding of the rate increase, but any
20 questions need to come to us or the company, and
21 we'll be glad to talk to you all about that.

22 So I think that's it, for those points, unless
23 there's anything else we need to go over?

24 **MR. DONG:** Okay.

25 **MR. ELLIOTT:** May I state briefly that we

1 would reserve any objections to tonight's testimony
2 until the time of hearing?

3 **CHAIRMAN HALL:** Okay. Thank you, Mr. Elliott.

4 Okay. Mr. Dong, tell us who we have.

5 **MR. DONG:** We don't have a sign-up sheet yet.

6 **CHAIRMAN HALL:** Afton – oh, we don't? Okay.
7 Would you ladies like to testify?

8 **MS. DRAYTON:** I signed up "no," but I believe
9 I should.

10 **CHAIRMAN HALL:** You didn't sign up?

11 **MS. DRAYTON:** I signed up "no," that I would
12 not –

13 **CHAIRMAN HALL:** Okay.

14 **MS. DRAYTON:** – but I believe I should.

15 **MR. DONG:** Okay.

16 **CHAIRMAN HALL:** Okay. Well, come forward.
17 We've got time. Yes, please.

18 **MR. DONG:** We made the trip; we're here for
19 you.

20 [Witness affirmed]

21 THEREUPON came,

22 **C L A U D I N E D R A Y T O N ,**
23 who, having been first duly affirmed, testified as follows:

24 **WITNESS:** I'm Claudine Drayton. I live at 91
25 Cooper Lane, in Georgetown, the White Creek

1 Subdivision.

2 The last time we had a meeting here was not
3 too many months ago. We were over at the McDonald
4 Elementary School. And I testified – I wanted to
5 testify and I took off work, drove to Columbia, my
6 son and myself – he also took off work to testify.
7 As you can see, there's not many of our residents
8 here. We're feeling that our testimony falls on
9 deaf ears.

10 My community is one of minimum wages. The
11 rate increase is just absurd. We don't understand
12 it, when so many in our community right alongside
13 of us are paying so much less for services. We
14 can't understand why that the minimum that we're
15 using for water services cannot be serviced or – I
16 don't know what word I should be using – but the
17 water or sewage cannot be treated by a lower rate.
18 We would like to see our rates measured based on
19 the number of water that we're using. Something
20 was said that the, you know, that would be in
21 consideration, but apparently it is not.

22 It seems like it was less than a year that
23 these folks have joined us to request a rate
24 increase. Again, we just think it's absurd. The
25 community has just not come together, because we

1 feel there's really nothing that anyone is willing
2 to do – not that they're not able, but that nobody
3 is willing to do. Thank you.

4 **CHAIRMAN HALL:** Okay, thank you.

5 Parties, any questions for – I'm sorry. Spell
6 your name for me?

7 **WITNESS:** C-l-a-u-d-i-a. My last name is
8 Drayton, D-r-a-y-t-o-n.

9 **CHAIRMAN HALL:** Okay, Ms. Drayton. I'm sorry.
10 Okay. Commissioners, any questions for Ms.
11 Drayton?

12 **VICE CHAIRMAN WHITFIELD:** Madam Chair.

13 **CHAIRMAN HALL:** Commissioner Whitfield.

14 **EXAMINATION**

15 **BY VICE CHAIRMAN WHITFIELD:**

16 **Q** Ms. Drayton, we were down here a couple of years ago,
17 and there were some service issues I think that some of
18 you brought to our attention. How has your service
19 been?

20 **A** What happens is when my service backs up, it's several
21 times that I've called the company to complain, and they
22 say that I need to contact a plumber first and have
23 someone come out.

24 My son testified last year in Columbia, in front of
25 the Commission, to say that he had an easeway, and he

1 wanted to put a fence in his yard. He wanted to know
2 how much of an easeway he had to leave for the company
3 to come in and service. No one ever returned his calls,
4 and so forth. His name is Sean, S-e-a-n, middle initial
5 M., and last name is Thomas, T-h-o-m-a-s. And his
6 address – he's my next-door neighbor, actually – is 123
7 Cooper Lane, here in Georgetown, as well. And he
8 would've loved to be here but he did not have a
9 babysitter. I'm sorry. Yeah. But it was he and
10 myself, we came down to Columbia last year.

11 **Q** Have you talked with the South Carolina Office of
12 Regulatory Staff, at this table, or with any of the
13 company officials, recently?

14 **A** I have not since the last meeting, no, sir.

15 **VICE CHAIRMAN WHITFIELD:** Okay. Well, Madam
16 Chairman, I would just offer her that both the
17 company and the South Carolina Office of Regulatory
18 Staff are here. As you've heard, we're not allowed
19 to discuss anything with you –

20 **WITNESS:** I understand.

21 **VICE CHAIRMAN WHITFIELD:** – but both of those
22 tables can.

23 **WITNESS:** Yes.

24 **VICE CHAIRMAN WHITFIELD:** And we thank you for
25 coming.

1 **CHAIRMAN HALL:** Thank you so much, Ms.
2 Drayton.

3 **WITNESS:** Yes.

4 [WHEREUPON, the witness was excused.]

5 **CHAIRMAN HALL:** Ma'am, would you like to
6 testify?

7 **VOICE:** No.

8 **CHAIRMAN HALL:** Okay. Well, okay. Well,
9 then, if we don't have any additional witnesses –
10 anybody out there, Calvin?

11 **MR. WOODS:** No, ma'am.

12 **CHAIRMAN HALL:** Well, then, I guess we will
13 adjourn this hearing.

14 The merits hearing is when, Mr. Dong?

15 **MR. DONG:** The merits hearing is on the 17th,
16 which is Tuesday. And we will have another public
17 hearing after the merits hearing.

18 **CHAIRMAN HALL:** We are? Oh, in Columbia.
19 Yeah, we're having a night hearing in Columbia.

20 **MR. DONG:** So the merits hearing will be on
21 Tuesday. Tuesday, at 10:30.

22 **VICE CHAIRMAN WHITFIELD:** And the night
23 hearing is that same night.

24 **COMMISSIONER RANDALL:** Right.

25 **VICE CHAIRMAN WHITFIELD:** Correct?

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COMMISSIONER RANDALL: Correct.

MR. DONG: Right.

CHAIRMAN HALL: Well, then, our hearing is
adjourned, Thank you so much for coming.

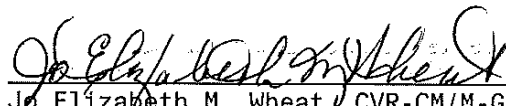
[WHEREUPON, at 6:12 p.m., the hearing in
the above-entitled matter was adjourned,
to reconvene at 10:30 a.m., on November
17, 2015, in Columbia, South Carolina.]

C E R T I F I C A T E

I, Jo Elizabeth M. Wheat, CVR-CM-GNSC, Notary Public in and for the State of South Carolina, do hereby certify that the foregoing is, to the best of my skill and ability, a true and correct transcript of all the proceedings had and testimony adduced in a hearing held in the above-captioned matter before the PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA;

That the witnesses appearing during said hearing were sworn or affirmed to state the truth, the whole truth, and nothing but the truth;

IN WITNESS WHEREOF, I have hereunto set my hand and seal, on this the 27th day of November, 2015.


Jo Elizabeth M. Wheat, CVR-CM/M-GNSC
Hearings Reporter, PSC/SC
My Commission Expires: January 27, 2021.